

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
May 14, 2007**

The Board of Supervisors of Maricopa County Arizona convened in Informal Session at 10:00 a.m., May 14, 2007, in the Supervisors' Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Fulton Brock, Chairman, District 1; Andrew Kunasek, Vice Chairman, District 3; Don Stapley, District 2; Max W. Wilson, District 4; and Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board; Liz Evans, Minutes Coordinator; David Smith, County Manager; and Victoria Mangiapane, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-nay-absent-abstain.

REGIONAL SCHOOL DISTRICT #509 VOUCHERS/WARRANTS

Item: The Board of Supervisors, pursuant to its authority granted in A.R.S. §15-1001, will consider for approval vouchers presented by the County School Superintendent of Maricopa County to draw warrants on the County Treasurer against Maricopa County Regional School District #509 School District funds for necessary expenses against the school district and obligations incurred for value received in services as shown in the Vouchers. (ADM3814-003)

The Board of Supervisors may consider ratifying any Maricopa County Regional School District #509 vouchers and/or warrants approved in accordance with the procedures of A.R.S. §15-321 since the last meeting of the Board of Supervisors. The Board of Supervisors may hear staff reports on the vouchers and warrants being considered. The Vouchers are on file in the Maricopa County's Clerk of the Board's office and are retained in accordance with ASLAPR approved retention schedule. (ADM3814-003)

No vouchers or warrants were presented for approval or ratification at this meeting. No staff updates on regional schools operations and finances occurred during this meeting. (ADM3814-005)

FY 2007-08 RECOMMENDED TENTATIVE BUDGET

Item: Presentation of the FY 2007-08 Maricopa County Recommended Tentative Budget. (C4907037800) (ADM1802)
David R. Smith, County Manager
Sandi Wilson, Deputy County Manager
LeeAnn Bohn, Deputy Budget Director
Christopher Bradley, Deputy Budget Director
Brian Hushek, Deputy Budget Director

David Smith presented the Tentative Fiscal Year 2007-08 Budget which, he stated, is structurally balanced and contains the core essential services of County government.

~ Supervisor Wilcox entered the meeting ~

Sandi Wilson opened the presentation by saying that the total budget is \$2,321,904,488. She said that this economy is showing definite signs of a slowdown. The budget, as constructed according to the budget guidelines, was approved on December 4 and amended on February 5, 2007:

- Is structurally balanced
- Has a sustainable property tax rate reduction of 9.6 percent
- Maintains reserves for future fiscal stabilization
- Maintains employee compensation – pay for performance included in base budgets

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
May 14, 2007**

- Contains investments in information and communications technology, particularly for critical infrastructure, security and disaster recovery
- Has base budget reductions of \$12 million

Ms. Wilson reminded the Board that Maricopa County is the fastest growing county in the nation. While population growth generates new revenue, it also increases the demand for services, including criminal justice services, social services, healthcare, parks and basically everything that the County does. Ms. Wilson gave the Board an overview of all of the County's funding sources, the largest areas being State Shared Sales Taxes and Property Taxes.

Ms. Wilson thanked Tom Manos and Shelby Scharbach for their work in communicating improvements in the County's financial condition to rating agencies. This has resulted in rating upgrades on County Lease Revenue Bonds by those agencies.

Ms. Wilson reviewed a chart illustrating the County's use of funds. The largest portion of County funds (59.7%) is devoted to Public Safety, which includes the Sheriff, jails and court system. Health, Welfare & Sanitation take up the next substantial portion of funds (21.67%).

Ms. Wilson explained that 99.5% of General Fund expenditures are mandated, and the majority of those funds are designated to state health contributions. Human Services, Parks, Economic Development and a portion of Public Health are non-mandated expenditures that make up the remaining 0.5 percent.

LeeAnn Bohn reviewed the County's Mission Statement and the seven Strategic Priorities developed by the Board that tie into the budget. The Priorities and related budget impact items are:

- Safe Communities – Crime Prevention Grants, the Meth Initiative, and the Sheriff's Mobile Data Computing Pilot Project
- Public Health – West Nile Virus Funding
- Regional Leadership – the self-imposed limit on secondary levies
- Sustainable Development – the Parks and Trails Systems Capitol Improvement Projects
- Fiscal Strength – 9.6% reduction in the overall property tax rate and a probationary surcharge increase
- Quality Workforce – Pay for Performance built into base budgets
- Citizen Satisfaction – implementation of the MFR system with a public portal so that citizens can view the County's performance data

Ms. Bohn updated the Board on the Managing for Results (MFR) System that has been used to create a data warehouse containing financial and performance information. The new MFR system will provide data analysis tools, as well as the ability to forecast trends in data. Ms. Bohn explained that the new system will work directly with other County systems, removing the need to enter data into the MFR system that has already been entered into another system. Lastly, she said that the new system will provide full integration of the budget and performance data.

With regards to employee compensation, Ms. Bohn reported that the trend in turnover has declined over the last several quarters, and is currently at approximately 10%. The goal is to maintain a range of no more than 8% - 10% voluntary turnover. Other compensation initiatives include continuing market studies, enhancing employee recruitment and implementing a job validation study.

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
May 14, 2007**

Chris Bradley was invited to give an overview of the Criminal Justice System. Mr. Bradley stated that \$5 million of non-recurring funds are being carried forward for the second year of a three-year pilot program for crime prevention program grants. Cities, towns and tribal governments are eligible and funding requires programs to be evidence-based and designed to achieve results. Mr. Bradley said that another \$3.1 million of non-recurring funds are being carried forward for the second year of the Meth Program.

Chairman Brock asked about funding for the ALPHA Program. Mr. Bradley stated that the current level of funded positions will be maintained, and will include an interim market adjustment to attract and retain counselors.

Mr. Bradley discussed the Sheriff's Mobile Data Computing Program. It was implemented last year as a pilot program, and appears to improve response times by freeing up as much as 15% of patrol officers' time. Mr. Bradley said that funding has been reserved in contingency to support a potential full roll-out once the pilot project has been completed and evaluated.

Mr. Bradley updated the Board on issues related to the capitol case backlog and its effect on the budget. He said that the process for trying capital cases has become lengthy since the 2002 Supreme Court requirement of jury sentencing. Additionally, a number of new capital cases spiked in 2005-2006 and since the system has not been able to close as many cases as have been filed, a backlog has developed. The backlog has required increasing numbers of defense attorneys and specialists to be funded for assigned cases. Mr. Bradley disclosed that about 128 back-logged cases are forecasted for the next fiscal year. He said that the backlog will most likely take several years to be eliminated.

Regarding Correctional Health, Mr. Bradley reported that progress has been made in several areas. He said that staffing patterns have been established and funded, though it continues to be challenge to hire nurses. Mr. Bradley said that procurement for an electronic health record was nearing conclusion, with most of the funding already identified in the base budget. Correctional Health has been able to reduce payments required by the State of Arizona for the Arizona State Hospital from about \$5 to \$6 million annually down to about \$100,000 per year, with the in-house costs down to about \$1.8 million per year.

Mr. Bradley briefly covered the statistics on Adult Probation, jail population and average length of stay for jail inmates. Overall, jail population numbers are decreasing, in part, due to reduced length of stay resulting from more efficient case management.

Brian Hushek reviewed a number of countywide technology initiatives that are completed, in-progress and outstanding. He also reviewed the Capital Improvement Projects (CIP) completed in FY 2007, as well as projects that will continue throughout FY 2008. Some of the completed projects are:

- The Chamber Building purchase
- The Downtown Justice Center
- The Durango Juvenile Detention & Treatment Center
- The Estrella Mountain Irrigation system
- The McDowell Track Comfort Station
- The Santan Consolidated Justice Courts
- The Usery Mountain Water System Project

Mr. Hushek also listed a number of CIP projects that have been identified but have yet to be funded.

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
May 14, 2007**

Ms. Wilson stated that the budget will be refined and adjusted between now and finalization, and explained that during this phase economic development and non-profit items are figured into the budget, as directed by the Board. Ms. Wilson clarified that the final budget adoption was scheduled for June 18, 2007, and the tax rates are scheduled to be set on August 20.

Supervisor Kunasek asked Ms. Wilson if she could provide the property tax burden on existing property over the last five years. Ms. Wilson responded that they would be happy to provide that information at a later time but did not have it available for this presentation.

Discussion ensued between the Board members regarding the reduction in jail population and the average length of stay in jail. Chairman Brock commended the Justice Department and the Court System for the work that has been done to expedite cases while still maintaining legal requirements.

Supervisor Wilcox asked for a list of job titles that were not covered with the current budget's market adjustments, as well as a list of titles covered under the FY 2007-2008 budget. Ms. Wilcox requested updates to the Board on any efforts where the County is partnering with different municipalities to upgrade or improve technology. She then asked about the status of the Star and 911 Call Centers. Steve Wetzel responded that both were in the process of being evaluated by a contractor, and a report will be prepared for management and the Board once the study has been completed.

Chairman Brock requested that Tom Manos invite T-Gen to make a presentation to the Board regarding the County's investment in their organization.

EXECUTIVE SESSION

Motion was made by Supervisor Stapley, seconded by Supervisor Wilson, and unanimously carried (5-0) to recess and reconvene in Executive Session in the Tom Sullivan Conference Room to consider items listed on the Executive Agenda, pursuant to listed statutory authority, as follows.

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION – ARS §38-431.03(A)(3) and (A)(4)

Write-Off Cases – Barbara Caldwell, Outside Counsel
Sheriff's Uncollectible Accounts

**LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; SETTLEMENT DISCUSSIONS
CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(3) and (A)(4)**

Camelback Esplanade Assn. V. Maricopa County (TX2004-290, TX2004-708, TX2005-050251, TX2006-313

Keith Russell, Assessor
Tim Boncoskey, Chief Deputy Assessor
Jean Rice, Deputy County Attorney – **did not attend**
Jerry Fries, Outside Counsel

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
May 14, 2007**

**LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; SETTLEMENT DISCUSSIONS
CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(3) AND (A)(4)**

Chandler Airport Center vs. Maricopa County, et al., CV2007-000884

Gary Scott, Maricopa County Land Acquisition Branch Manager
John W. Paulsen, Deputy County Attorney

**LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; SETTLEMENT DISCUSSIONS
CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(3) AND (A)(4)**

Philip Shea v. Joseph Arpaio, No. 1 CA-CV 06-0475; Maricopa County Superior Court No. LC 2005-0000928-001 (CV 2005-019023)

Anne C. Longo, Deputy County Attorney – **did not attend**
Bill King, Outside Counsel
David Hendershott, Chief, Sheriff's Office – **did not attend**
Jack McIntyre, Deputy Chief, Sheriff's Office

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION – ARS §38-431.03(A)(3) and (A)(4)

Christina L. Jimenez v. Maricopa County, et al., Maricopa County Superior Court No. CV2005-023518

David Hendershott, Chief, Sheriff's Office – **did not attend**
Jack McIntyre, Deputy Chief, Sheriff's Office
Rebecca Salisbury, Deputy County Attorney – **did not attend**
Dennis Wilenchik, Outside Counsel – **did not attend**
Peter Crowley, Risk Manager

**LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; CONTRACTS SUBJECT TO
NEGOTIATION – ARS §38-431.03(A)(3) AND (A)(4)**

Advice regarding legal issues and options concerning County Regional School District/Accommodations School funding, financial matters, management issues/Treasurer related management, investment and financial issues.

Tom Irvine, Outside Counsel
Sandi Wilson, Deputy County Manager
Tom Manos, Chief Financial Officer
Shelby Scharbach, Deputy Chief Financial Officer
Brian Hushek, Deputy Budget Director
LeeAnn Bohn, Budget Manager
Shawn Nau, Director, General Government
Lisa Keegan, Information Specialist
Dianne Sikokis, Director, Government Relations
Rick Bohan, Government Relations
Chiefs Latto, Isham, Candland and Bloom

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
May 14, 2007**

LEGAL ADVICE; ARS §38-431.03(A)(3)

Legal Advice and Update on HB 2208 related to Open Meeting Law

Victoria Mangiapane, Deputy County Attorney
Chiefs Latto, Isham, Candland, Leija and Bloom

LEGAL ADVICE; ARS §38-431.03(A)(3)

Restructuring and provision of work and services by Public Works to the Flood Control District of Maricopa County, Maricopa County Department of Transportation and Maricopa County Solid Waste Department, pursuant to A.R.S. § 48-3603.

David Smith, County Manager
Joy Rich, Assistant County Manager
Kenny W. Harris, County Engineer & Public Works Director
Ken Proksa, Deputy Director of Public Works
Elizabeth Yaquinto, Employee and Management Development Director
Brian Hushek, Deputy Budget Director
Mary C. Cronin, Deputy County Attorney

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION – ARS §38-431.03(A)(3) and (A)(4)

Wilson v. Maricopa County et al. – Claim No. GL5419030293, CV2004-2873

Daniel Struck, Outside Counsel
Christopher Keller, Deputy County Attorney
Peter Crowley, Risk Manager
Ted Howard, Risk Management

MEETING ADJOURNED

At the conclusion of discussion on the above items and there being no further business to come before the Board, the meeting was adjourned.

ATTEST:

Fulton Brock, Chairman of the Board

Fran McCarroll, Clerk of the Board